

VZCZCXRO3514
RR RUEHDBU RUEHLN RUEHVK RUEHYG
DE RUEHLN #0043/01 0991036
ZNR UUUUU ZZH
R 091036Z APR 09
FM AMCONSUL ST PETERSBURG
TO RUEHC/SECSTATE WASHDC 2745
INFO RUEHMO/AMEMBASSY MOSCOW 1660
RUEHYG/AMCONSUL YEKATERINBURG 0613
RUEHVK/AMCONSUL VLADIVOSTOK 0604
RUEHRA/AMEMBASSY RIGA 0405
RUEHDBU/AMEMBASSY DUSHANBE 0004
RUEHPNH/NVC PORTSMOUTH 0013
RUEHLN/AMCONSUL ST PETERSBURG 3108

UNCLAS SECTION 01 OF 03 ST PETERSBURG 000043

SIPDIS

DEPT FOR CA/FPP; CA/VO/KCC; RSO

E.O. 12958: N/A

TAGS: [KFRD](#) [CVIS](#) [CPAS](#) [CMGT](#) [ASEC](#) [RS](#)

SUBJECT: FRAUD SUMMARY - ST. PETERSBURG

REF: 08 State 102952

A. Country Conditions: Economic growth in St. Petersburg has slowed markedly over the past year, with St. Petersburg's 2008 GDP at roughly RUR 1.1 trillion (USD 32 billion). The average salary for St. Petersburg's 4.5 million is still about double the nationwide average of about \$5000 a year. Salaries nevertheless lag behind those in Moscow, and have fallen by about 5% since summer 2008 in the local currency, and by over a third in dollars with the substantial ruble devaluation. Economic indices -- including income, cost of living, and jobless rates -- vary from region to region in Northwest Russia, though members of ethnic minorities in particular tend to be underemployed while the elderly are most vulnerable to broad inflationary pressures. As evidenced from this and previous reports, fraud is encountered at a medium frequency in St. Petersburg.

B. NIV FRAUD: The worldwide economic crisis and ruble devaluation have not spared Northwest Russia, and though the majority of the NIV applicant pool remains a good bet, post expects an increase in the number of mala fide applicants seeking admission to and employment in the US. Even among otherwise legitimate vacation travelers, many Russians still consider it necessary to bolster their NIV applications with fabricated documents, trumped-up employment letters, and inflated salary claims. In addition, post has encountered an increasing number of petition-based applications for work at non-existent companies in the U.S.

B1/B2

Post encountered several applicants who provided fake job letters and employment information in order to improve their chances of qualifying for an NIV. Phone numbers listed for their place of employment often turn out to belong to friends' private apartments or are completely fictitious. Such applicants cannot tell us the names or numbers of employees at their company. Applicants also go to the trouble of falsifying their Russian labor books to make their current and past employment look more official. One particularly unprepared applicant listed his employer's number as his own cell phone number, and though he claimed to work for an advertising agency, he listed the website of a home-appliance company on his home-made letterhead. Another, who claimed to work for an auto dealership in Murmansk, eventually revealed that his shop no longer had any business, but he wanted to leave for a long vacation in the U.S. anyway, leaving behind a six-month old child and his wife.

C1/D

While the majority of Post's C1/D applicants are legitimate

crewmembers of the large number of ships sailing from the port of St. Petersburg, we do occasionally come across attempts at fraud.

One applicant, after receiving a C1/D on the strength of her employment letter with Disney Cruise Lines, entered the U.S. in April 2008 but failed to join her cruise ship, opting instead to stay with her boyfriend in Florida, until she returned in October 2008 for another C1/D to work for a different cruise company. She was denied under Section 214(b).

Another crewmember abandoned his ship in the U.S. and was caught and returned to Russia by DHS. Upon applying for a new C1/D visa, he changed his last name and claimed he had never been to the U.S. before. IAFIS checks revealed his true identity, although he never admitted his fault in the interview, insisting he is and always was his new identity. Subject was found ineligible under 6C. This case raises particular concerns about the veracity of Russian documents, particularly in the ease of obtaining genuine documents from the proper legal authorities with false biographic information.

F1

We continue to see cases of fake ESL packages prepared by local visa facilitating agencies. One applicant who received an F1 for six weeks of ESL study at Temple University in 2007 ended up staying until late 2008. When she appeared in early 2009 for another F1, we launched an investigation, revealing that her case was completely prepared by a local visa agency. The fixers provided her with a fictitious husband and child, in an effort to show strong ties to Russia to compel her timely return. During her interview this year, she "forgot" she was "married," and she eventually confessed to paying money for the supporting

ST PETERSB 00000043 002 OF 003

materials, saying she had in fact studied at Temple only for one of the 11 months she was in the U.S., and that she had actually used her visa to reside with her LPR or Amcit boyfriend.

J1

A local agency coached another applicant prior to her interview for a J1 visa (au pair). The applicant successfully made arrangements with a family in the States and received J1. But after she received the visa, the U.S. au pair agency contacted post to inform us that they had canceled her SEVIS registration. The applicant had told the agency that she missed the visa interview and chose to withdraw from the program, although in fact she had attended the interview and received a visa. Post called the applicant back to cancel the visa, and she admitted that her true intentions were to move to the States and live with her sister's boyfriend. Post physically canceled her visa.

H/L fraud

The most disturbing trend Post has encountered is the growing number of sham petition-based visa applications. We continue to scrutinize these cases carefully, including renewals, since we have uncovered cases that might not have been approved in the past had we known all the pertinent facts. One example of such is a third time, L-1 renewal case which raised eyebrows because its claimed place of business and telephone number in the U.S. matched those of the applicant's attorney. Further investigation revealed that the company was not an operating business and therefore did not qualify as an L1A petitioner, resulting in a revocation request sent to DHS. While no material false statements were located, information gathered during his interview raised suspicions of money laundering, tax fraud in Russia, and possibly embezzlement.

Another disturbing case involved an L1A applicant whose companies FPU investigated and discovered that they were operational neither in the U.S. nor in Russia. She insisted the companies were real, but her own description of their dates of

operation - for about three months in the past three years - along with her ignorance about any detail of the companies' operations, though she claimed to be the CEO and president, undermined her story. Additionally, her husband, the L2 applicant, is a well-known, high-level public official, and, according to press articles, is under investigation for the misuse of around USD 11 million from the public purse.

One H1B applicant misrepresented her qualifications for a position as credit specialist at a bank. She would have been the U.S. company's first employee after the petitioner, himself a St. Petersburg native. During her interview, the applicant stated that the petitioner, who lives in Russia, was a longtime friend of her mother. Further investigation revealed fake lease agreements provided by the petitioner, raising the suspicion that the company is a shell company created for immigration purposes.

1C. IV FRAUD: N/A

1D. DV FRAUD: N/A

1E. ACS AND U.S. PASSPORT FRAUD: Among post's CRBA applications, there have been multiple applications in the reporting period for children born out of wedlock to American citizen fathers. While this itself is not remarkable, post has noticed that one or both parents in such cases has not disclosed a prior (or continuing) marriage to a third party; other discrepancies were then discovered when looking further into the parents' claims. Out of concerns that the American citizen may not be the biological father of the child in each case, post conducted in-depth interviews and, in at least one case, the parents agreed to do voluntary DNA testing. As these cases are not yet resolved, post will report further if fraud is confirmed in these cases.

1F. ADOPTION FRAUD: N/A

1G. USE OF DNA TESTING: N/A

1H. ASYLUM AND OTHER DHS BENEFIT FRAUD: N/A

1I. ALIEN SMUGGLING, TRAFFICKING, ORGANIZED CRIME, AND TERRORIST TRAVEL: Per reftel, we regularly receive applicants with P3A2 lookouts for suspected ties to organized crime. If VO/L/A were to request further information in response to an advisory

ST PETERSB 00000043 003 OF 003

opinion request, Post would have limited resources to investigate P3A2 claims: FPU and ARSO-I in St. Petersburg have no opportunity to actively investigate outside the confines of the Consulate and are totally reliant on information provided by the Russian police.

1J. DS CRIMINAL FRAUD INVESTIGATIONS: FPU cooperates closely with ARSO-I on issues related to local law enforcement, organized crime, financial crime and terrorism, and during investigations of US-based companies and financial transactions.

One example of such cases under investigation by the ARSO-I is the company Main Bridge LLC, which petitioned for L1 visas for its workers. Initial investigations revealed a false business address in Russia and a false U.S. lease. Additional checks identified at least three shell companies in Russia, British Virgin Islands, and Germany, and false invoices involving one of the companies. Due to bank records submitted with the petition that show financial transactions in excess of \$1 million, Main Bridge is suspected of being involved in a financial scheme and laundering money.

1K. HOST COUNTRY PASSPORT, IDENTITY DOCUMENTS, AND CIVIL REGISTRY: Though rare, post occasionally uncovers applicants who have altered their documents and identity in order to obtain U.S. immigration benefits. A Senegalese applicant submitted an altered passport. He had changed the date of expiration for

his passport along with the date of expiration of his Russian visa, revealing that he was no longer legally permitted to stay in Russia. The NIV unit also encountered an applicant with a P2A1 lookout placed in the NIV system by Embassy Riga. The applicant, applying for an NIV with his Russian passport, purchased a Latvian passport for 100,000 euros in the late 1990s, allegedly for purposes of starting a business in Latvia, though the applicant claimed this business never got off the ground. The passport, which permitted him to travel through the EU without a visa, was seized by German authorities in 2004. FPU shared information on his application with the Latvian consulate in St. Petersburg; the applicant has not yet been convicted for his crime.

L. COOPERATION WITH HOST GOVERNMENT AUTHORITIES: Rossiya Airline officials at Pulkovo Airport, using information we forwarded them in a 2006 DHS alert on altered passports, called us to thank us for that information, since it led to the discovery of three Afghan nationals toting fake Portuguese and Norwegian documents this quarter. The Afghans spoke neither Russian nor English and were transiting St. Petersburg from Dushanbe en route to Helsinki. It was Rossiya Airlines visa control staff that suspected each passport book was fake, even though they were of sufficiently good quality to escape detection in Dushanbe. All three were detained and deported to Tajikistan and apprehended by Afghan security officials.

M. AREAS OF PARTICULAR CONCERN: N/A

N. STAFFING AND TRAINING: The Fraud Prevention Unit has one Consular Officer, one Fraud Prevention FSN, and one ARSO/I. The FP FSN took the Fraud Prevention training course in November 2006. The Consular Officer attended the Fraud Prevention for Managers training course at FSI in April 2008.
GWALTNEY